



RECEIVED

NOV 14 2007

PUBLIC SERVICE
COMMISSION

Ms. Joyce Spear
Rates and Tariffs Division
Kentucky Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602-0615

E.ON U.S. LLC

State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

November 14, 2007

Rick E. Lovekamp
Manager - Regulatory Affairs
T 502-627-3780
F 502-627-3213
rick.lovekamp@eon-us.com

**Re: Kentucky Utilities Company - Kentucky Jurisdictional 12-Months
Ended September 30, 2007 Income Statement and Balance Sheet as
of September 30, 2007 (Case Nos. 97-300, 2000-095, and 2001-104)**

Dear Ms. Spear:

Enclosed is Kentucky Utilities Company's ("KU") response to the Commission's Order, dated September 12, 1997, in the Case No. 97-300, wherein the Commission directed KU to submit quarterly Twelve-Month Ended Income Statements and Balance Sheets on a Kentucky Jurisdictional and Other Jurisdictional operations basis. This information is also filed in response to the Commission's Order dated May 15, 2000, in Case No. 2000-095, *Summary of Findings, No. 8 and Appendix B, Reporting Requirements to be filed Quarterly, No. 3*. These commitments were repeated in the Commission's Order dated August 6, 2001, in Case No. 2001-104, *Appendix A, Operations and Financial, No. 1*.

Please confirm your receipt of this filing by placing the File Stamp of your Office with date received on the extra copy and returning it to me in the enclosed envelope.

Should you have any questions regarding the information filed herewith, please call me or Don Harris at (502)627-2021.

Sincerely yours,

Rick E. Lovekamp

Enclosures

cc: Isaac Scott, KPSC Division of Financial Analysis

KENTUCKY UTILITIES COMPANY

Balance Sheet

At September 30, 2007

Assets and Other Debits

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Plant				
Utility Plant	101-106	\$ 3,839,883,083	\$ 3,343,472,576	\$ 496,410,507
Plus: Construction Work in Progress	107	874,669,412	775,647,363	99,022,049
Total Utility Plant		\$ 4,714,552,495	\$ 4,119,119,939	\$ 595,432,556
Less: Accumulated Provision for Depreciation	108,111	1,907,960,569	1,648,354,865	259,605,704
Net Utility Plant		\$ 2,806,591,926	\$ 2,470,765,074	\$ 335,826,852
Other Property and Investments				
Non-Utility Property	121	\$ 1,025,914	\$ -	\$ 1,025,914
Less: Accum Prov for Depr and Amortization	122	57,059	-	57,059
Investment in Subsidiary Companies	123.1	21,079,877	-	21,079,877
Non-Current Portion of Allowances	158.1	-	-	-
Other Investments	124	411,140	-	411,140
Special Funds	125-128	5,819,539	-	5,819,539
Total Other Property and Investments		\$ 28,279,410	\$ -	\$ 28,279,410
Current and Accrued Assets				
Cash	131	\$ 699,888	\$ 616,476	\$ 83,412
Special Deposits	132-134	39,560,528	34,845,705	4,714,823
Working Funds	135	39,439	34,738	4,701
Temporary Cash Investments	136	17,286	15,226	2,060
Customer Accounts Receivable	142	109,870,195	84,328,812	25,541,382
Other Accounts Receivable	143	21,460,750	18,812,064	2,648,686
Less: Accum Prov for Uncollectable Accts-Credit	144	1,775,871	1,556,693	219,178
Notes Receivable from Associated Companies	145	-	-	-
Accounts Receivable from Associated Companies	146	6,101,671	5,432,602	669,069
Fuel	151	48,956,338	42,353,597	6,602,741
Plant Materials and Operating Supplies	154	26,521,211	22,994,606	3,526,605
Allowances	158.1	1,134,464	979,567	154,897
Less: Non-Current Portion of Allowances	158.1	-	-	-
Stores Expense Undistributed	163	6,557,506	5,851,788	705,718
Prepayments	165	3,877,387	3,415,187	462,200
Interest and Dividends Receivable	171	62,015	54,624	7,391
Accrued Utility Revenues	173	38,631,000	36,924,000	1,707,000
Miscellaneous Current Assets -- Mark to Market	174	544,964	480,015	64,949
Total Current and Accrued Assets		\$ 302,258,771	\$ 255,582,314	\$ 46,676,456
		\$ -		
Deferred Debits				
Unamortized Debt Expense	181	\$ 7,052,374	\$ 6,211,872	\$ 840,502
Unrecovered Plant and Regulatory Costs	182	-	-	-
Other Regulatory Assets	182.3	116,914,953	103,072,559	13,842,394
Preliminary Survey and Inventory	183	391,884	345,179	46,705
Clearing Accounts	184	-	-	-
Miscellaneous Deferred Debits	186	87,979,668	79,897,638	8,082,029
Unamortized Loss on Re-Acquired Debt	189	10,282,801	9,057,297	1,225,504
Accumulated Deferred Income Taxes	190	49,793,664	44,241,518	5,552,146
Total Deferred Debits		\$ 272,415,343	\$ 242,826,063	\$ 29,589,280
Total Assets and Other Debits		\$ 3,409,545,450	\$ 2,969,173,452	\$ 440,371,999

KENTUCKY UTILITIES COMPANY

Balance Sheet
At September 30, 2007
Liabilities and Other Credits

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other JurMsdMctMonal Column E
Proprietary Capital				
Common Stock Issued	201	\$ 308,139,978	\$ 271,415,855	\$ 36,724,123
Preferred Stock Issued	204	-	\$ -	-
Premium on Capital Stock	207	-	-	-
Paid in Capital	208-211	70,000,000	61,657,400	8,342,600
Other Comprehensive Income		-	-	-
Capital Stock Expense	214	(321,289)	(282,998)	(38,291)
Retained Earnings	215-216	980,854,357	863,956,134	116,898,223
Unappropriated Undistributed Subsidiary Earnings	216.1	19,534,077	17,206,006	2,328,071
Total Proprietary Capital		<u>\$ 1,378,207,122</u>	<u>\$ 1,213,952,397</u>	<u>\$ 164,254,725</u>
Long Term Debt				
Bonds	221	\$ 332,753,140	\$ 293,095,621	\$ 39,657,519
Long Term Debt Marked to Market	221200	-	-	-
Long Term Debt To Associated Companies	233006	761,000,000	670,304,020	90,695,980
Other Long Term Debt	224	-	-	-
Unamortized Premium on Long Term Debt	225	-	-	-
Total Long Term		<u>\$ 1,093,753,140</u>	<u>\$ 963,399,641</u>	<u>\$ 130,353,499</u>
Other Non-Current Liabilities				
Accumulated Provision for Property Insurance	228.1	\$ -	\$ -	\$ -
Accumulated Provision for Injuries and Damages	228.2	-	-	-
Accumulated Provision for Pensions and Benefits	228.3	115,404,525	102,750,037	12,654,487
Accumulated Miscellaneous Operating Provision	228.4	-	-	-
Total Other Non-Current Liabilities		<u>\$ 115,404,525</u>	<u>\$ 102,750,037</u>	<u>\$ 12,654,487</u>
Current and Accrued Liabilities				
Notes Payable	231	\$ -	\$ -	\$ -
Accounts Payable	232	161,646,394	143,921,333	17,725,061
Notes Payable to Associated Companies	233	105,303,054	92,753,036	12,550,018
Accounts Payable to Associated Companies	234	29,100,254	-	29,100,254
Customer Deposits	235	19,132,529	18,341,152	791,377
Taxes Accrued	236	12,202,695	10,748,377	1,454,318
Interest Accrued	237	11,818,539	10,410,006	1,408,533
Dividends Declared	238	-	-	-
Matured Long Term Bonds/LTD Due in 1 Year	239	-	-	-
Tax Collections Payable	241	3,782,075	3,221,150	560,925
Miscellaneous Current and Accrued Liabilities	242	11,468,261	10,698,724	769,537
Total Current and Accrued Liabilities		<u>\$ 354,453,801</u>	<u>\$ 290,093,778</u>	<u>\$ 64,360,023</u>
Deferred Credits				
Customer Advances for Construction	252	\$ 1,832,679	\$ 1,818,164	\$ 14,515
Accumulated Deferred Investment Tax Credits	255	41,546,938	35,436,879	6,110,059
Other Deferred Credits	253	18,566,469	16,720,730	1,845,739
Other Regulatory Liabilities	254	36,702,480	31,691,188	5,011,292
Asset Retirement Obligation	230	29,849,792	25,774,154	4,075,638
Miscellaneous Long Term Liability Due to Associated Companies	234	4,351,189	3,832,614	518,575
Accumulated Deferred Income Taxes	281-283	334,877,315	297,537,468	37,339,847
Total Deferred Credits		<u>\$ 467,726,862</u>	<u>\$ 412,811,197</u>	<u>\$ 54,915,665</u>
Total Liabilities and Other Credits		<u>\$ 3,409,545,450</u>	<u>\$ 2,983,007,050</u>	<u>\$ 426,538,400</u>

KENTUCKY UTILITIES COMPANY

Statement of Income
Twelve Months Ended September 30, 2007

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Utility Operating Income				
Operating Revenues:				
Residential Sales	440	\$ 422,908,513	\$ 396,823,248	\$ 26,085,266
Commercial and Industrial Sales:	442			
Small (or Comm) - Rural Comm & Comm L&P		285,962,704	273,728,853	12,233,851
Large (or Ind) - Industrial & Mine Power		296,328,783	285,041,074	11,287,709
Public Street and Highway Lighting	444	9,211,375	8,961,566	249,809
Other Sales to Public Authorities	445	86,014,339	81,254,885	4,759,454
Total Sales to Ultimate Consumers		\$ 1,100,425,714	\$ 1,045,809,625	\$ 54,616,088
Sales for Resale	447	152,952,156	56,251,245	96,700,911
Total Sales of Electricity		\$ 1,253,377,869	\$ 1,102,060,870	\$ 151,316,999
Less: Provision for Refund	449.1	-	-	-
Total Revenues Net of Provision for Refund		\$ 1,253,377,869	\$ 1,102,060,870	\$ 151,316,999
Other Operating Revenues:				
Miscellaneous Service Revenues	451	1,276,343	1,244,920	31,423
Rent from Electric Property	454	2,872,973	2,716,142	156,832
Other Electric Revenues	456	4,773,795	4,158,414	615,381
Total Other Operating Revenues		\$ 8,923,110	\$ 8,119,475	\$ 803,635
Total Operating Revenue		\$ 1,262,300,980	\$ 1,110,180,345	\$ 152,120,634
Operating Expenses:				
Operation Expenses	401	\$ 774,179,070	\$ 673,775,786	\$ 100,403,284
Maintenance Expenses	402	74,621,979	65,616,895	9,005,084
Depreciation Expense	403	112,966,390	98,819,206	14,147,184
Amortization of Limited-Term Electric Plant	404	5,464,882	4,758,829	706,053
Regulatory Credits	407	(2,073,069)	(1,790,942)	(282,127)
Taxes Other than Income Taxes	408.1	18,535,103	16,524,782	2,010,321
Income Taxes - Federal	409.1	33,639,118	Total Income Taxes 36,549,981	4,586,888
Income Taxes - State	409.1	13,365,934		
Provision for Deferred Income Taxes	410.1	40,763,287		
Provision for Deferred Income Taxes - Credit	411.1	(46,631,470)		
Accretion Expense	411.1	1,833,001	1,583,659	249,342
Investment Tax Credit Adjustment - Net	411.4	40,966,647	35,373,061	5,593,586
Losses/(Gains) from Disposition of Allowances	411.8	(706,852)	(610,339)	(96,513)
Total Utility Operating Expenses		\$ 1,066,924,021	\$ 930,600,918	\$ 136,323,102
Net Utility Operating Income		\$ 195,376,959	\$ 179,579,427	\$ 15,797,532

KENTUCKY UTILITIES COMPANY

Statement of Income
 Twelve Months Ended September 30, 2007

Title of Account Column A	No. Col. B	Total Kentucky Utilities Column C	KU Retail Jurisdictional Column D	Other Jurisdictional Column E
Other Income and Deductions are not separated on a jurisdictional basis.				
Other Income and Deductions				
Total Other Income		\$ 32,994,501		
Total Other Income Deductions		5,758,403		
Total Taxes on Other income and Deductions		(448,263)		
Net Other Income and Deductions		\$ 27,684,361		
Interest Charges				
Interest on Long Term Debt	427	\$ 43,428,796		
Amortization of Debt Discount and Expense	428	900,841		
Amortization of Loss on Re-Acquired Debt	428.1	-		
Amortization of Premium on Debt - Credit	429	-		
Amortization of Gain on Re-Acquired Debt - Credit	429.1	-		
Interest on Debt to Associated Companies	430	5,971,096		
Other Interest Expense	431	1,087,578		
Allowance for Borrowed Funds Used During Construction	432	(753,110)		
Net Interest Charges		\$ 50,635,202	\$ 42,515,701	\$ 8,119,501
Cumulative Effect of Accounting Change, Net of Tax		\$ -		
Net Income		\$ 172,426,118		